

## 24 CFR Ch. XV (4-1-11 Edition)

paid to or collected by the lender or the servicer in connection with an emergency mortgage relief loan or advance-of-credit transaction, shall not exceed simple interest on the outstanding principal balance at the annual interest rate for FHA-insured home mortgages at such time the emergency mortgage relief loan or advance of credit is originated. Additionally, no points or discounts of any kind may be assessed or collected in connection with an emergency mortgage relief loan or advance-of-credit transaction.

## Subpart D—Mortgage Insurance

**§ 2700.301 Loan applications.**

(a) Lending institutions approved by HUD for participation in the Emergency Homeowners' Loan Program are authorized to accept, process, and approve applications for emergency mortgage relief loans or advances of credit under this part under such terms and conditions as HUD may prescribe.

(b) An approved lender may make an emergency mortgage relief loan or advances of credit on the terms specified in this part if the lender is satisfied that the application meets all of the relevant requirements of this part. The lender shall prepare a note, loan agreement, if any, and mortgage as required by HUD, which the lender shall record against the property securing the delinquent mortgage upon the execution of those documents.

(c) Except as may be otherwise specified by HUD, on the last working day of the month during which an emergency mortgage relief loan or advance of credit is closed, the lender shall submit to HUD an application for an insured emergency mortgage relief loan or advance of credit on such form as prescribed by HUD, signed by the mortgagor and holder of the mortgage and that certifies that:

(1) The lender, homeowner, and property meet the eligibility requirements of this part:

(2) Circumstances (such as the volume of delinquent loans in the investor's portfolio likely to remain uncured) make it probable that there

The maximum permissible finance charge, exclusive of fees and charges as provided in §§2700.310, and 2700.415, which may directly or indirectly be